

## CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number \_\_\_\_\_

Meeting Type: Regular

Meeting Date: 6/28/2012

Action Requested By:  
Legal

Agenda Item Type  
Resolution

Subject Matter:

Invoking letter of credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk-Treasurer to invoke Servis 1st Bank Letter of Credit No. 11653 for Cedar Park at Bell Grove Subdivision.

**Note: If amendment, please state title and number of the original**

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 6/21/2012

RESOLUTION NO. 12-\_\_\_\_\_

WHEREAS, Servis 1st Bank issued a certain letter of credit (No. 11653), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to Servis 1st Bank Letter of Credit No. 11653, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 28th day of June, 2012.

\_\_\_\_\_  
President of the City Council  
of the City of Huntsville,  
Alabama

APPROVED this the 28th day of June, 2012.

\_\_\_\_\_  
Mayor of the City of  
Huntsville, Alabama

SERVISFIRST BANK  
Post Office Box 18127  
Huntsville, AL 35804  
T 256.722.7800 F 256.722.7810  
servisfirstbank.com

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**IRREVOCABLE LETTER OF CREDIT NO. 11653**



**Beneficiary:**

City of Huntsville  
P.O. Box 308  
Huntsville, AL 35804

**Account Party:**

Propst Properties, LLC  
401 Meridian Street  
Suite 300  
Huntsville, AL 35801

**Bank:**

ServisFirst Bank  
401 Meridian Street  
Suite 100  
Huntsville, AL 35801

**Place of Presentment/Expiry:**

ServisFirst Bank  
401 Meridian Street, Suite 100  
Huntsville, AL 35801

W/S  
7/20/10

**Amount:** \$56,848.35  
**Issue Date:** July 14, 2010  
**Expiration Date:** July 14, 2012

**Subject: Article 5 Sidewalks / Letter of Credit for CEDAR PARK AT BELL GROVE, A RESUBDIVISION OF TRACT 2 OF A RESUBDIVISION OF TRACT A OF BELL GROVE MANOR AS RECORDED AS DOC #20061221000862810, AND OTHER LANDS AS RECORDED AS DOC #20070604000392850 AS RESTRICTED BY: LOTS 1-10, LOTS 13-20, LOTS 23-26, LOTS 50, 51, AND LOTS 59-75 OF BELL GROVE MANOR AS RECORDED AS DOC#20061221000862810, TRACT 2 OF A RESUBDIVISION OF TRACT A OF BELL GROVE MANOR AS RECORDED AS DOC#20070604000392850 AND OTHER LANDS AS RECORDED AS DOC#20090831000566580**

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective July 14, 2010, for sum not to exceed the aggregate of \$56,848.35, available by your one or more drafts at SIGHT on us.

All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to ServisFirst Bank.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville Alabama, stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

The original of this Letter of Credit must be presented with any drawing.

OK  
CE/d  
7/20/10

OKCA  
7/20/10

We hereby engage with you that drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents specified.

This Letter of Credit shall be governed by the Laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended.

ServisFirst Bank

By: 

\_\_\_\_\_  
Andrew N. Kattos, President